Defense Contract Management Agency

"DCMA Initiatives"

"Teaming to provide world class acquisition management services to support U.S. combat readiness around the world."

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TOPICS / AGENDA

- **What We Do?**
- **Transformation/C3**
- **Business Rules**
- **CI/CST**
- **Contingency CAS**
- **Huntsville AOR**
- **Closing Thoughts**

What Do We Do??

Examples of What We Do

- Establish overhead rates
- Review and approve progress payments
- Definitize contracts
- Review status of contractor processes
- Accept product (DD250s)
- Monitor Government property
- Depot privatization
- Engineering changes
- Validate earned value management systems
- Validate contractor entitlement to payments
- Contract closeout
- Contingency contract administration services

What We Do

Achieve Customer Outcomes!

Provide Customer Focused Contract Management Services

- **Right Item = Quality**
- **Right Time = On-Time Deliv**
- **Right Price = Value for Mor**

Combat Support Agency

- **Military Operations**
- **Readiness of Fielded Syste**
- **Modernization of Military Equipment**
- **Industrial Surge – During Conflict**

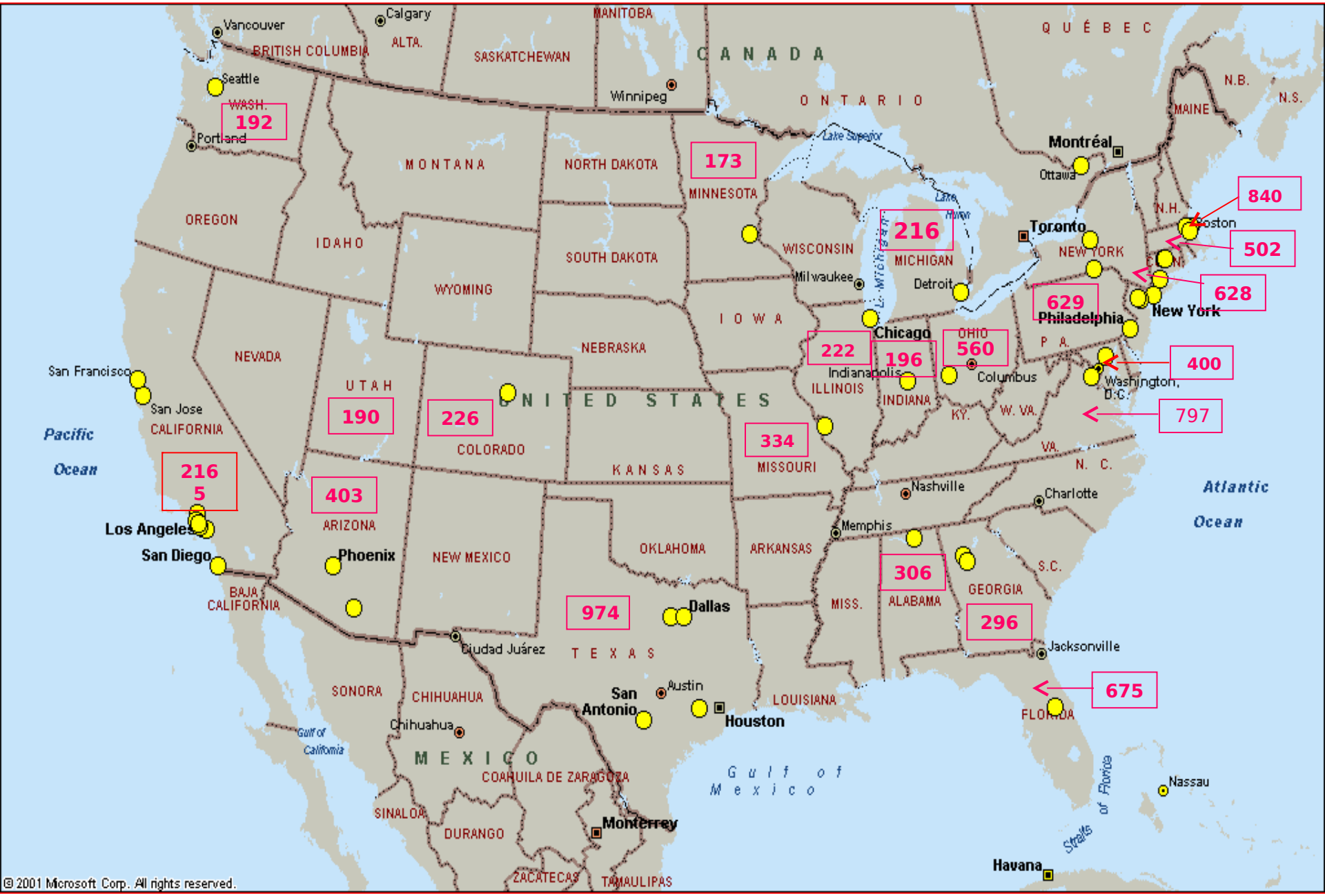
Teaming with Military Services and Defense Contractors to ensure that tax dollars achieve mission requirements

Who are Our Customers?

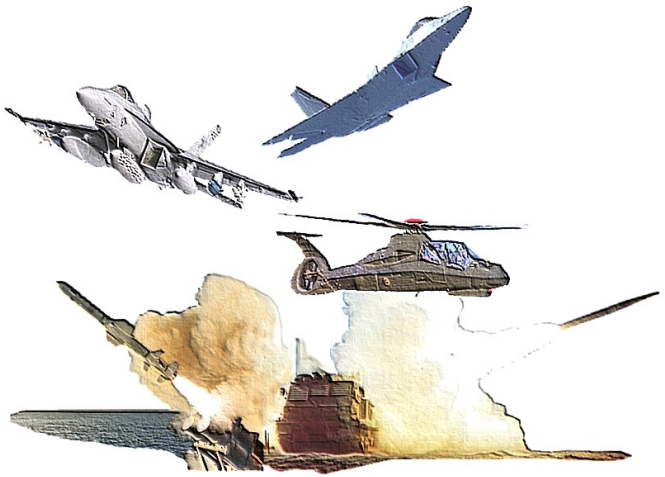
Army
Navy
Air Force
Marines
Program Offices
Joint Staff
ICPs
OSD Staff
NASA/Civilian Agencies
FMS (DSCA)
Congress/Taxpayer
Contractors

vs Work Initiators

CONUS Contract Management Offices



Full Service Acquisition Impact



Scope of work

- *All major weapons system programs*

- *$860B in Contract "Face Value"*

- *$116B Unliquidated Obligations*

- *320,000 Contracts*

- *19,000 Contractors (600+ Off-shore)*

Span of Control

- *11,125 Professionals*

- *800 Locations Worldwide*

- *60 Major Field Commands*

-*$81M Reimbursable Foreign Military Sales*

- *DoD Standard Procurement System*

- *(gency*

Readiness and Combat Support

The Apparent

Big Items - Big $ - High Attention

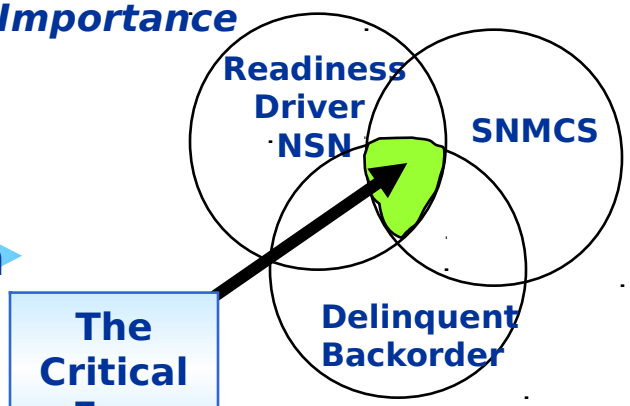
Depot Maintenance Timely Return to Mission Capable Stat

DCMA covers…

The Full Spectrum

The Less Apparen

Small Items - Small $ - *High Importance*



Informed Engagement on Spares

- **Combat Support Agency**
- **Focus on Customer's Readiness**
- **Portals to Customer's Supply Chain**

Acquisition Support – World-Wide

Top 15 MDAP Programs By DCMA Supporting Location (Labor Hours C

DCMA Involvement	C-17A	V-22 OSPREY	F/A -18 E/F	F-16 Aircraft	F/A-22 Raptor	F-35 (J SF)	IAV	DDG 51	J STARS	TRIDENT	NMD	Commanche	THAAD	LONGBOW	B-2A
Americas						■									
Atlanta	■	■	■		■		■		■					■	
Baltimore		■	■	■	■			■		■			■		■
Bell Heli Ft Wth		■				■									
Birmingham		■	■		■		■				■		■	■	
Boeing Canoga Park													■		
Boeing Heli Phila		■			■							■		■	
Boeing Long Beach	■														
Boeing Seal Beach			■								■				
Boeing Seattle		■			■							■			■
Boeing St. Louis	■		■												
Boston			■		■	■		■		■			■		
Chicago	■	■	■	■	■	■	■			■		■	■	■	■
Cleveland	■	■	■	■	■	■	■	■						■	
Dallas	■	■			■	■							■		■
Dayton	■		■	■		■		■							■
Denver	■	■			■		■			■	■		■		
Detroit	■	■	■	■	■	■	■					■			
GE Lynn								■							
Hartford		■	■	■	■	■			■	■	■	■		■	■
Indianapolis	■	■	■		■			■	■			■			
LM Denver											■				
LM Ft Worth				■	■	■									
LM Miss. & Space										■	■		■		
LM Del Val						■		■			■				
LM Marietta Ga					■										
LM Owego	■					■									
Long Island	■	■	■	■	■	■			■					■	■
Middle East				■											

***Based on FY03 YTD**

DCMA Involvement	C-17A	V-22 OSPREY	F/A -18 E/F	F-16 Aircraft	F/A-22 Raptor	F-35 (J SF)	IAV	DDG 51	J STARS	TRIDENT	NMD	Commanche	THAAD	LONGBOW	B-2A
New York				■											
Northern Europe					■	■									
NG Balt	■			■	■	■						■			
NG Beth			■												
NG El Segundo			■			■									■
NGMelb	■								■						
NG St Aug															
Orlando				■	■	■			■		■	■		■	
Pacific															
Philadelphia	■	■	■				■	■	■			■	■		■
Phoenix	■	■	■		■	■				■	■	■	■	■	
Pittsburgh										■					
Pratt & Whitney						■									
Raytheon									■	■	■		■		
Raytheon LA	■	■	■	■	■					■					■
Raytheon Texas									■						
Raytheon Tucson											■				
San Antonio	■			■											
San Diego		■		■	■	■			■			■			
San Francisco		■	■	■	■	■				■	■	■	■		■
Santa Ana	■	■	■	■	■	■	■			■	■			■	
Seattle	■	■			■		■			■	■				■
Sikorsky												■			
Southern Europe	■		■	■											
Springfield	■	■		■	■	■				■		■	■	■	■
St. Petersburg	■	■	■							■		■	■		
Stewart & Stevenson															
Syracuse	■	■	■	■		■				■	■	■	■	■	■
Thiokol										■					
Twin Cities		■	■		■	■			■	■	■	■	■		
Van Nuys	■	■	■	■	■		■		■		■	■		■	■

Readiness and Combat Support

Transportation/Distribution Mission

- 300,000 shipments per year for our customers
  - ✓Motor Carrier
  - ✓Air Freight
  - ✓Small Package Air
  - ✓Rail
  - ✓Ocean Carrier
  - ✓Military Air
  - ✓Barge

- **End-to-end transportation service supporting supply- chain management**
- **Traffic management services for new equipment, major weapons systems, repair parts, food, ammunition, etc.**
- **Provide instructions and transportation data to manufacturers, carriers, ports, customers, and service headquarters**

Readiness and Combat Support

Production Expedite Requests

- Changing War Fighter needs often requires accelerated delivery of critical items from vendor base

- DCMA teams with contractors to expedite the delivery of high priority/NMCS sustainment items

- DCMA responds to over 2,500 contract expedite requests every month

Transformation / C3

TRANSFORMATION'S PURPOSE

"The Struggle of Today is Not Altogether For Today…

It is For a Vast Future, Also"

-- Abraham Lincoln

CRITICAL DCMA TRANSFORMATION TASKS

- **Exceed Our Customer's Needs/ Expectations**
- **Be the "Go-To" Partner With Acquisition Customers and Contractors**
- **Fully Engage in Business Process Modernization**
- **Direct[illegible]s in Comba[illegible]**

Core Purpose: Always the Right Item, Right Price, On Time For Our Warfighters

TRANSFORMATION TENETS

- **Responsibility and Accountability**
- **Latitude and Innovation – Improve Customer Satisfaction**
  - **More Labor Hours on Direct Customer Support**
  - **“Rip Off and Duplicate – Improve”**
- **Compliance Where Necessary**
- **Measure Performance Using Customer Success Criteria**
- **Do More Moderate and High Risk Work**

TRANSFORMATION

Wide Area Workflow

Focus:
Contract Closeout
Business Rule Change

Streamlining Systems

Standard Procurement System

Modernized MOCAS

“DCMA Does More High Risk Work”

TRANSFORM WHILE AT WAR

Post 9/11 Focus: Combat Support

- **Major Weapons Systems**
- **Readiness – Critical Spares**
- **Deployments:**
  - **–Afghanistan**
  - **–Iraq**
  - **–Philippines**
  - **–Kuwait**

✓Accelerate
✓Expedite
✓"Hand Deliver" to the Warfighter
✓Find New Industrial Base Sources
✓Partner With Contractors

Over 300 DCMA Military and Civilians Deployed Since CY 2000

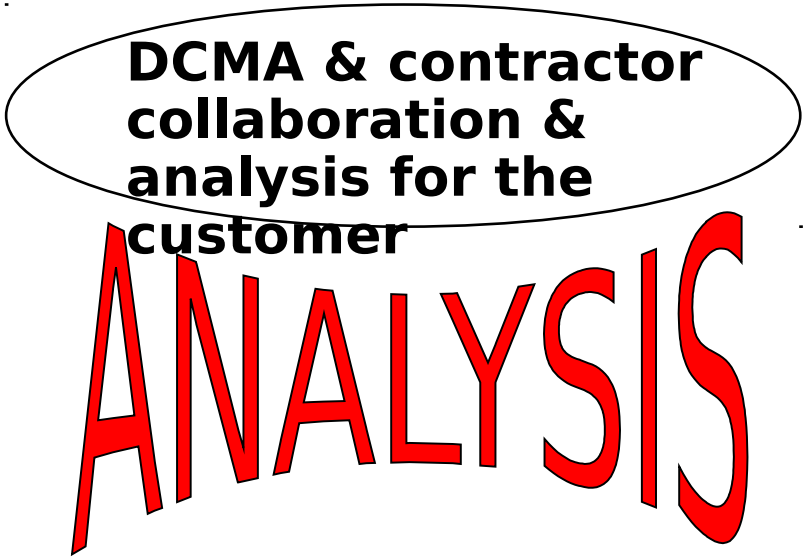
Transformation Path Forward

- **Customer Centered Culture**
- **More Latitude with Requisite Greater Responsibility and Accountability**
- **Performance Measures Defined by Customer Success Requirements**
- **More Independent Predictive Analysis – Sooner**
- **Agile Response to alternate acquisition approaches**

Transformation Focus

- **Customer Mandate:**

  “Don’t tell me what I know, tell me what I don’t know…” “…tell me what it means.”



Business Rules

BUSINESS RULES

- **$250K and Under**
- **Criticality – Risk/ Safety of Life**
- **Source Inspection w/o Technical Data**
- **Minimal Resources for Low $/ Low Risk**
- **Payment?**

Bottom Line:

DCMA Will ALWAYS Do Source Inspection On *VALID* High Risk Items

CI / CST

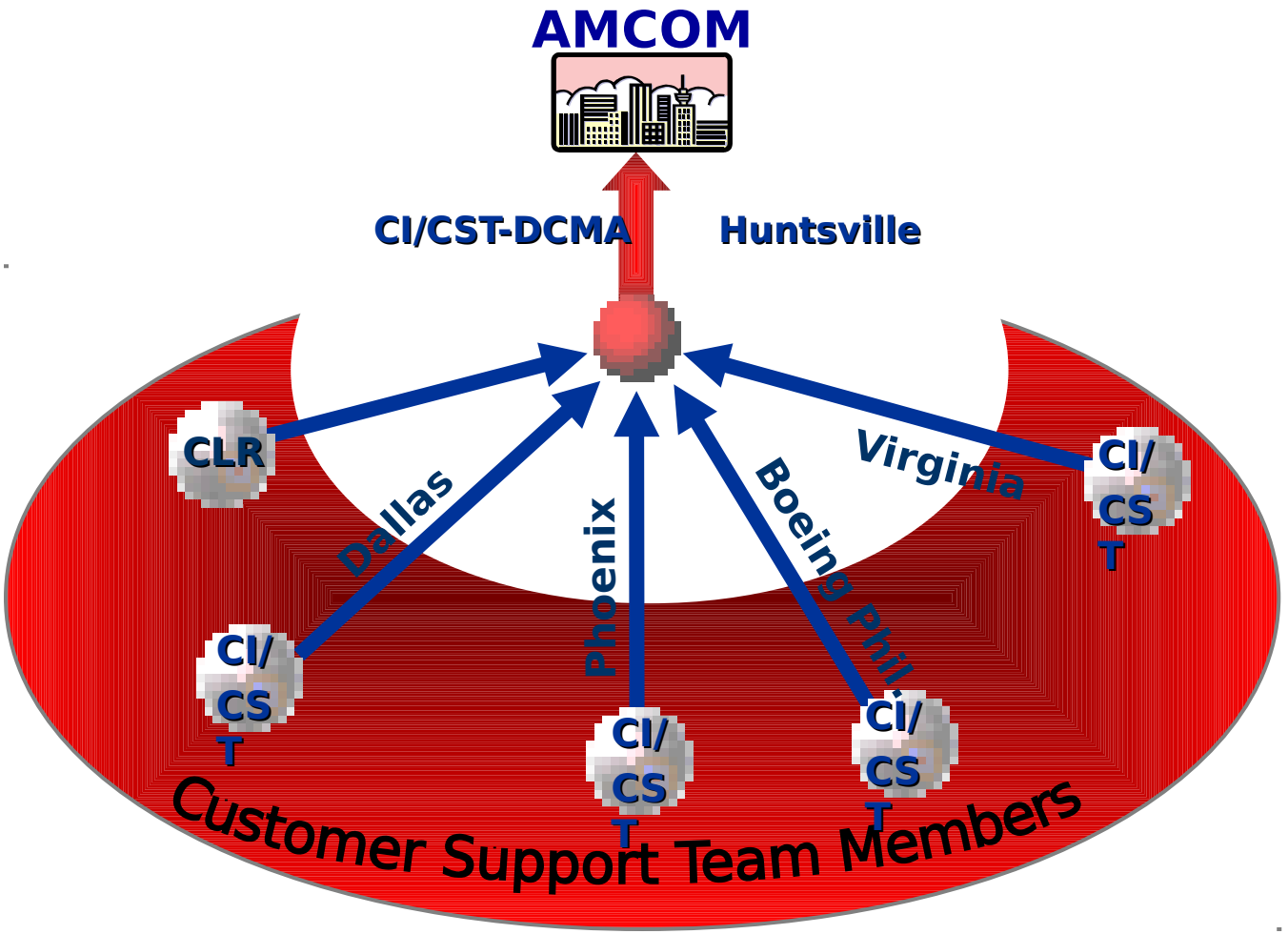
CI/CST MISSION STATEMENT

The Mission of the CI/CST is to enhance Communication ensuring continuous and consistent acquisition Life Cycle Support to the Customer.

Bottom Line

- **Improve Communication Between the Customer and DCMA**
- **Ensure Continuous and Consistent Acquisition Life-Cycle Support**
- **Support Mutual Transformation Efforts**
- **Empowerment to Resolve Issues at the Lowest Level Possible**

CI/CST Membership Strategy



CCAS

Personnel Currently Deployed

as of 31 Dec 03

Typical Contract Mission Tasks

LOGCAP/Balkans

- Base Camp Operations
- Facilities Management
- Force Provider Set-Up and Maintenance
- Vector Control
- Laundry and Bath
- Food Services Operations
- MWR
- Transportation Motor Pool Operations

36 Task Orders
$6.8B (ROM)

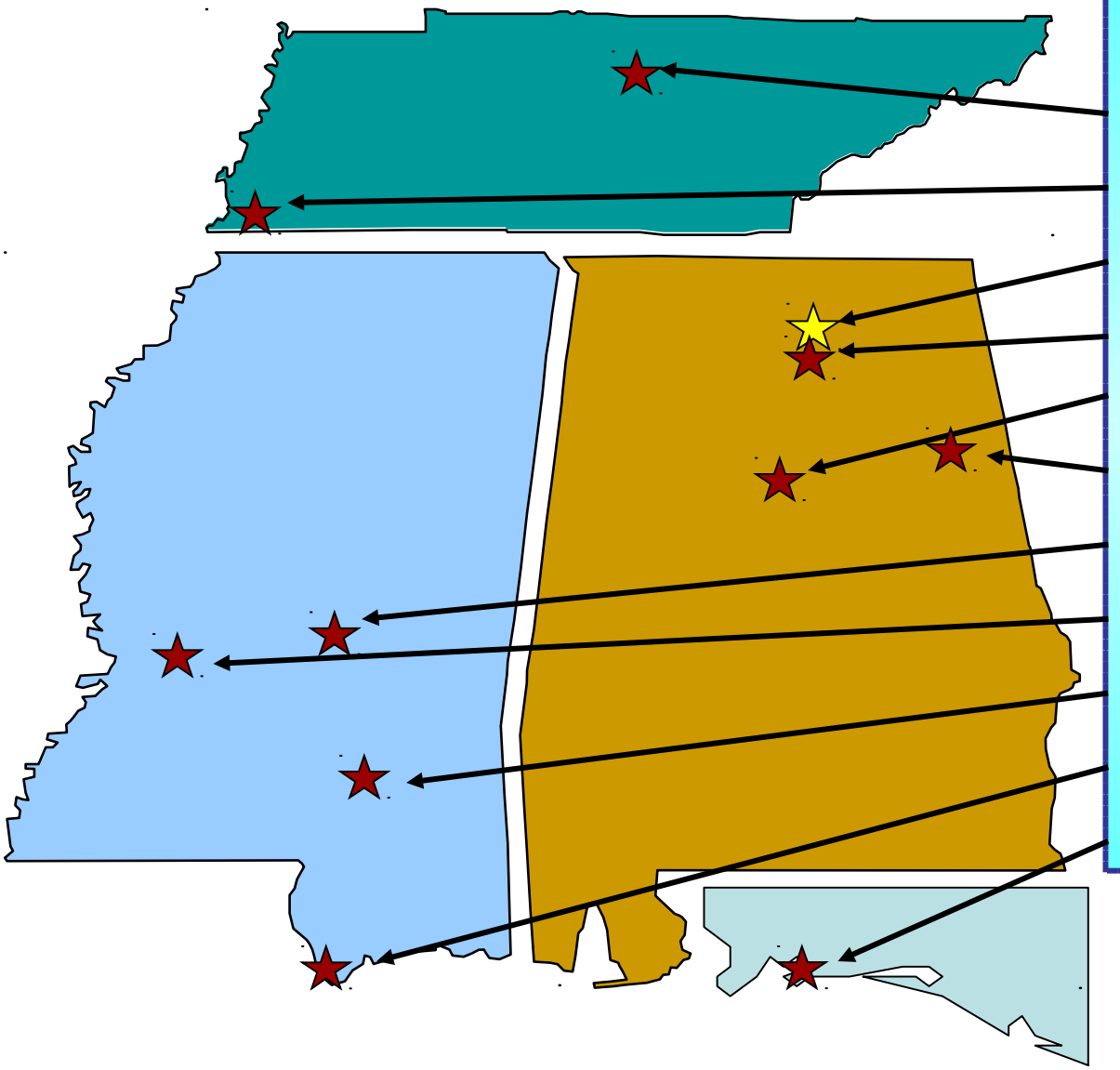
AFCAP

- Logistics Build-up Suppo
  - materials
  - equipment
  - supplies
- Power Production Suppo
- Engineering Services
- Water Production
- Site Preparation
- Vertical Construction

54 Task Orders
$ 372M

DCMA Huntsville AOR

Geographic Area



Major Delegations and Activities in:

Nashville

Memphis

Huntsville

Marshall Space Center

Birmingham

Anniston

Forest

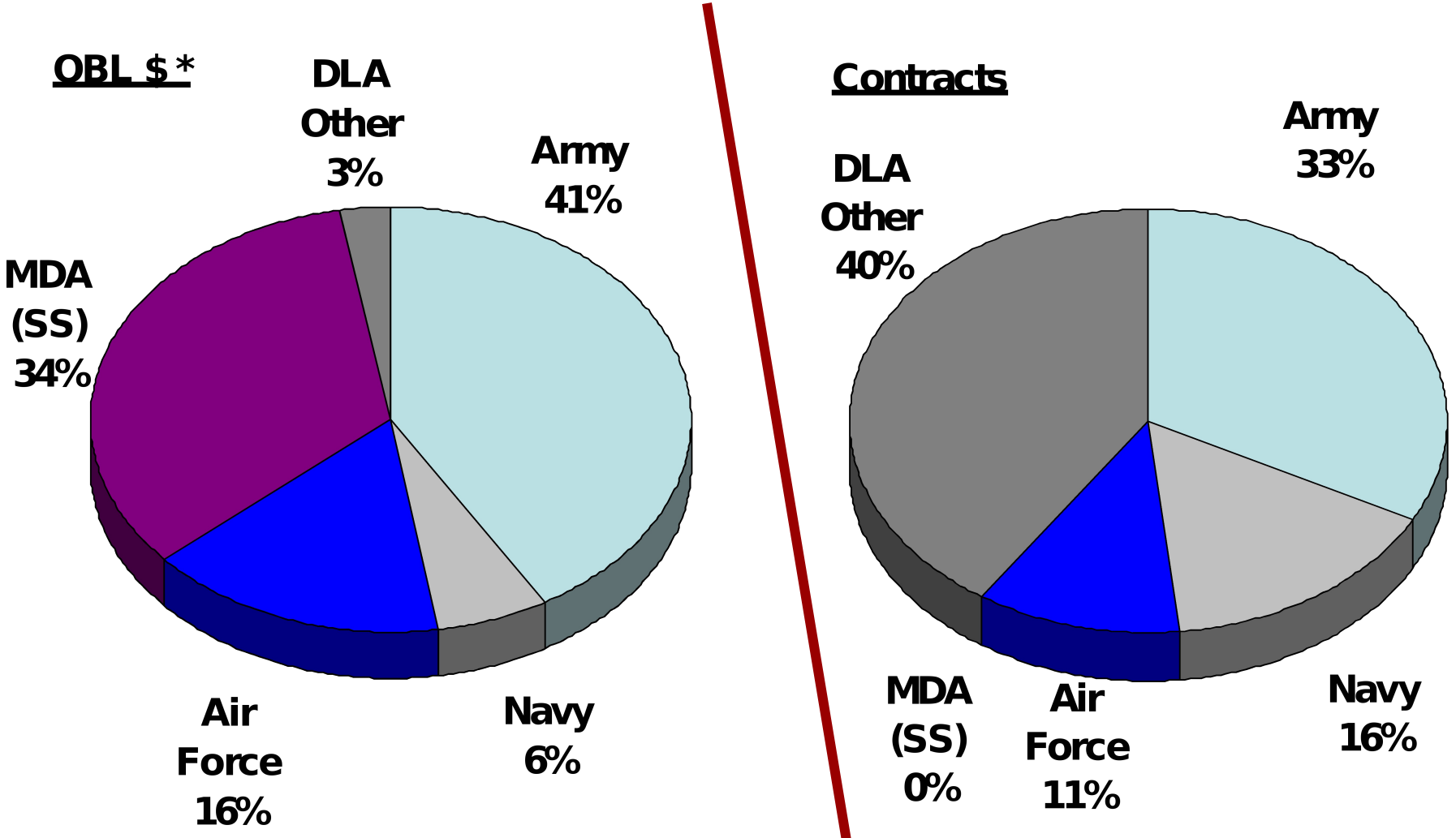
Jackson

Hattiesburg

Stennis Space Center

Shalimar

Workload by Services



* NASA - $11.1 B not included in DoD Prime

Source: SDW Query and DCARRS
09/2003

* NASA - 38 kts not included in DoD Prime

CLOSING THOUGHTS

- **Transformation For Contract Managers is a <u>MUST</u> – Non-Negotiable. It's the future of DCMA**

- **Must Build Understanding That We are LEVERAGE for Our Customers. Incorporate C3 in everything we do.**

- **DCMA is pushing ahead with the Business Rules implementation, but using CI/CST to stay in "sync" with the customers.**

- **Contingency missions will continue in the foreseeable future with "Boots on the Ground Support."**

- **DCMA w… "Go-To" acq…**

21st Century Contract Management = Full Range Acquisition Support From Concept to Disposal

Questions / Comments